



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 2578 (1943)

July 8, 1992

SUBJECT: Recording Non-FmHA Debt Repayment on the Farm and Home Plan

TO: State Directors, District Directors, and County Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance concerning the forms of written documentation that are acceptable to FmHA when a creditor is willing to extend terms on open accounts or debts that are all due and payable. The intended outcome is to ensure that feasible plans of operation may be developed.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

Situations may arise in which applicants/borrowers cannot develop a feasible plan of operation due to open accounts and/or judgment debts that are considered fully due and payable.

In such situations, when the applicant/borrower indicates that the creditor is willing to extend terms which would enable a feasible plan to be developed, the approval official must obtain written documentation that an agreement has been reached.

Acceptable written documentation may be in any of the following forms:

1. A promissory note reflecting the rates and terms agreed upon.
2. A dated and signed allonge or attachment to existing promissory note and/or judgment, which states the new rates and terms. Any revision of terms in a court-ordered judgment would have to be approved by the court with guidance from OGC.

EXPIRATION DATE: June 30, 1993

FILING INSTRUCTIONS:
Preceding FmHA
Instruction 1943-A




Farmers Home Administration is an Equal Opportunity Lender.
Complaints of discrimination should be sent to:
Secretary of Agriculture, Washington, D.C. 20250

3. A written agreement between the creditor and the borrower clearly stating the rates and terms and signed by the borrower and the creditor.

This AN may not be revised and reissued by State Directors without prior approval by the Assistant Administrator, Farmer Programs, unless modification is necessary to comply with State law.

If you have any further questions, please call the Farmer Programs Loan Making Division at FTS (202) 720-1632.


LA VERNE AUSMAN
Administrator

 Sent by Time Delay Option to States at 11:00am on 7/10/92, to Districts at 1:00pm on 7/10/92 and to Counties at 3:00pm on 7/10/92 by GSS.